November 30, 2018

Supervisor John Leopold  
Chair, Regional Transportation Commission  
1523 Pacific Avenue  
Santa Cruz, CA  95060

John,

On November 16, 2018, the Santa Cruz Metropolitan Transit District (METRO) Board of Directors approved the following recommendations to the Santa Cruz County Regional Transportation Commission (RTC) related to the Unified Corridor Investment Study:

1. Support Bus Rapid Transit (BRT) Lite operational improvements in the Soquel Avenue/Soquel Drive/Freedom Boulevard corridor.


3. Commit to a public mass transit service and facility in the Rail Corridor, and:
   o Non-Mode Specific Alternatives Analysis: Begin implementation planning in the near term by conducting a comprehensive alternatives analysis to determine the most appropriate mode of public transit for the Rail Corridor; and
   o Add a full analysis of specific operations and capital funding sources to the alternatives analysis; and
   o Support mass transit use in the rail corridor in which mass transit would run adjacent to bike and pedestrian facilities, but not under the “rail banking” concept; and
   o Support an RTC policy that would commit to funding METRO with TDA-LTF, TDA-STA and TDA-SGR at current percentage levels in perpetuity.

The METRO Board staff report for this item (#15) is attached.

The METRO Board requests that the RTC facilitate the development of a scope of work by the two agencies’ staffs for an alternatives analysis, which would iteratively develop and compare the most cost effective and efficient approaches to providing a high capacity mass transit service; taking into consideration operating and capital costs, land use development opportunities and impacts, and using realistic assumptions about the County's public transit funding capacity.

Any major public transit facility and services proposed for the corridor would require significant local, state and/or federal funding. An alternatives analysis conforming to New Starts and Small Starts documentation requirements seems an essential
prerequisite to receiving federal funding for a major capital investment such as a rail or BRT project.

State of METRO

METRO is in the midst of developing a 10-Year Strategic Business Plan identifying priorities and funding capacity for the agency, a timeframe in which a mass transit solution could be implemented in the rail corridor.

METRO has only recently achieved a relatively stable budget with the injection of funding from Measure D and SB-1. Current funding levels are always under threat from changing economic conditions and funding allocation levels from external agencies.

Currently METRO is only able to maintain its bus service at a minimally effective level with available funding and it is acknowledged that in order to attract additional riders there is a need to increase the frequency and span of existing service prior to pursuing new services.

The METRO Board looks forward to working with the RTC to establish a realistically fundable solution in this corridor as part of effective countywide public transit network, and one that will not negatively impact METRO's current funding levels, inclusive of any growth.

Yours truly,

Bruce McPherson, Chair
Santa Cruz METRO Board

Enc: November 16, 2018 METRO Board Item #15
DATE: November 16, 2018

TO: Board of Directors

FROM: Barrow Emerson, Planning & Development Director

SUBJECT: UNIFIED CORRIDOR INVESTMENT STUDY UPDATE

I. RECOMMENDED ACTION

That the Board receive a presentation on the Unified Corridor Investment Study and recommend to the Regional Transportation Commission the following:

a) Support Bus Rapid Transit (BRT) Lite operational improvements in the Soquel Avenue/Soquel Drive/Freedom Boulevard corridor

b) Support pursuit of a Bus-On-Shoulders (BOS) facility on State Route (SR) 1

c) Commit to a public transit service and facility in the Rail Corridor and begin implementation planning by conducting in the near term a comprehensive alternatives analysis to determine the most appropriate mode of public transit for the Rail Corridor and to support efforts to secure funding from federal and other sources, and adding a full analysis of operations funding sources as part of the alternative analysis.

d) Support mass transit use in the rail corridor in which mass transit would run adjacent to bike and pedestrian facilities, but not under the “rail banking” concept; and, an RTC policy that would commit to funding METRO with TDA-LTF, TDA-STA and TDA-SGR at current percentage levels in perpetuity.

II. SUMMARY

- The Regional Transportation Commission has conducted the Unified Corridor Investment Study (UCIS), an analysis of potential multi-modal transportation investments in the State Route (SR) 1, Soquel Avenue/Soquel Drive/Freedom Boulevard, and the Santa Cruz Branch Rail Line (Rail Corridor) corridors.

- RTC staff will have presented a preferred “Scenario” to the RTC meeting on November 15, 2018 with selection of a preferred scenario targeted for the December 6, 2018 RTC meeting.

- METRO staff has participated in the development of public transit networks for the UCIS and continues to work with RTC staff to analyzed data presented in the UCIS.

- Key issues of the METRO review of the UCIS include:
The three corridors service different travel markets and improvements in one do not provide benefits in the others.

There is a need for a public transit service in the Rail Corridor.

A concern as to whether Santa Cruz County has the financial capacity to fund additional public transit services and facilities without impacting the current bus system. A review of the UCIS suggests that some funding sources currently used for METRO operations and capital needs are being assumed as possible sources for UCIS projects.

At METRO’s November 16th Board meeting staff will provide a formal presentation on the UCIS and request that the Board make recommendations to the RTC including but not limited to the following:

- Support BRT Lite operational improvements in the Soquel Avenue/Soquel Drive/Freedom Blvd. corridor.
- Support pursuit of a Bus-On-Shoulders facility on SR 1.
- Commit to a public transit service and facility in the Rail Corridor and in the near term begin implementation planning by conducting a comprehensive alternatives analysis to determine the most appropriate mode of public transit for the Rail Corridor and to support efforts to secure funding from federal and other sources, and adding a full analysis of operations funding sources to the alternatives analysis. This is vital as an alternatives analysis is a requirement of receiving federal funding from programs such as New Starts and Small Starts, which fund both rail and BRT projects. Issues to be further analyzed in an alternatives analysis include:
  - Ridership forecasts
  - Operating and capital costs, including “value engineering”
  - Funding sources for capital improvements
  - Funding sources for operating expenses
  - Support mass transit use in the rail corridor in which mass transit would run adjacent to bike and pedestrian facilities, but not under the “rail banking” concept; and, an RTC policy that would commit to funding METRO with TDA-LTF, TDA-STA and TDA-SGR at current percentage levels in perpetuity.

III. DISCUSSION/BACKGROUND

The objective of the Unified Corridor Investment Study (UCS) is to identify multimodal transportation investments that provide the most effective use of SR-1, Soquel Avenue/Soquel Drive/Freedom Boulevard, and the Rail Corridor while best serving the community’s transportation needs. The study’s goals focus on developing a sustainable and well-integrated transportation system while
maximizing benefits in terms of efficient mobility, health and equity, the natural environment, and economic vitality.

Highway 1 and Soquel Ave/Drive are two of the most heavily traveled roadways in Santa Cruz County. Freedom Blvd provides an extension of Soquel Ave/Drive in the southern portion of Santa Cruz County. The Santa Cruz Branch Rail Line provides a new opportunity to provide transportation options between north and south county.

RTC staff will recommend a preferred scenario at the Nov. 15, 2018 RTC meeting. The final draft of the UCIS will consider the comments received at the November 15, 2018 Commission meeting and any other comments received by 5:00 PM on November 20, 2018. The final draft of the Unified Corridor Investment Study will be presented to the RTC at the December 6, 2018 RTC meeting to be held at 9:00 AM at the County Board of Supervisors Chambers, 701 Ocean St., 5th floor.

METRO staff will provide a detailed review and recommendations for next steps of the UCIS at METRO’s November 16th Board meeting.

Key Issues of METRO UCIS Review

METRO staff review of the UCIS identifies the following key issues:

- Acknowledgement that the three corridors serve different and distinct markets and origin/destination pairs. Improvements in any one of the corridors does not provide needed services in the other corridors. Specifically, improvements in the Soquel/Freedom or SR 1 corridors do not address travel needs along the coastal community.

- Need for public transit priority and services in the Rail Corridor

  - A bicycle/pedestrian only facility in the corridor would not address demand for longer distance and higher capacity mobility. As bicycle/pedestrian facilities are possible in the Rail Corridor with either Rail or BRT operations, the desire for these facilities is addressed.

  - The scenario-based analysis does not provide enough mode/corridor specific comparable detailed data and information is insufficient to determine the most appropriate public transit mode to pursue in the Rail Corridor.

  - Whether Santa Cruz County has the financial capacity to fund METRO’s existing network, anticipated and necessary future service expansion that is unrelated to the UCIS, along with these new services and facilities being considered by RTC. All of these services and facilities could draw from the same limited funding sources. A review of the UCIS suggests that some
funding sources currently used for METRO operations and capital needs are being assumed as possible sources for UCIS projects.

**Recommendations for transportation improvements in the three corridors in the County transportation system**

- **Soquel Avenue/Drive and Freedom Boulevard**: This corridor between Watsonville and Santa Cruz serves multiple origins and destination pairs including key regional destinations; Cabrillo College and the Dominican Hospital complex. Trip patterns in this corridor include extensive short on/off movements throughout the corridor in both directions throughout the day. With significant urban commercial development immediately adjacent, the ability to provide significant transit priority in this corridor through widening or removal of parking is limited.

  The most valuable facilities that could be included in a “BRT Lite” improvement package are those which help maintain the reliability of METRO bus services such as transit signal priority and queue jumps.

- **SR 1**: METRO currently provides relatively limited bus service in the SR-1 corridor due to extreme peak congestion which results in poor on-time performance and unreliable service. The primary value of transit priority in the SR 1 corridor would be to provide a consistent and predictable trip travel time for peak period services.

  Introduction of a High Occupancy Vehicle (HOV) lane would be a major, long-term construction project with a significant cost, which could not be justified by the level of transit service which could be provided. METRO recommends taking advantage of the opportunity to introduce a Bus-On-Shoulders (BOS) facility in conjunction with the auxiliary lane program, which can be constructed relatively quickly and inexpensively relative to an HOV lane project.

- **Rail Corridor**: METRO strongly recommends that there be a transit priority facility and services in this corridor. As identified during the 2016 METRO Comprehensive Operational Analysis and reinforced by the more recent analysis by transit planning consultant Jarrett Walker, the urban area between Capitola and downtown Santa Cruz has among the most transit supportive demographics in the County in terms of residential density, mixed uses (residential/commercial/retail), zero vehicle households, lower income populations, and a significant population of youth and college-aged residents. Again, proposed improvements in the other two corridors do not address mobility needs in the coastal corridor.

  However, the “Scenario-based” approach used in the UCIS did not analyze or present specific data comparison between passenger rail and BRT in this corridor that would provide a clear choice between these options.
The mode selection in this corridor should not be based on a choice between steel and rubber wheels but rather on the service profile (alignment, frequency, daily span of service) that most effectively meets the travel patterns and mobility needs in this area.

Any major public transit facility and services proposed for the corridor would require a significant state and/or federal funding contribution. METRO strongly recommends that a formal alternatives analysis be conducted directly comparing the ridership, operating and capital costs of the options. This type of analysis is required for projects pursuing federal funding such as the New Starts and Small Starts programs, which can fund both rail and BRT projects.

Therefore, as part of the commitment to implementation of a public transit service and facility in the Rail Corridor METRO recommends that in addition to a formal alternatives analysis being undertaken in the near term to identify the type of service and facility that would be most appropriate to meet the specific mobility needs in the corridor; that in order to support efforts to secure funding from federal and other sources, a full analysis of operations funding sources should also be conducted. Having this analysis will support efforts at securing federal funding support, including form the New Starts and/or Small Starts programs.

**Issues Requiring Further Analysis**

Without stating a preferred mode alternative, METRO staff notes a number of issues which need further investigation and clarity prior to determining the most cost-effective and appropriate service in the corridor including:

- The bus networks and service levels (frequency and span of daily service) provided to RTC for the UCIS were hypothetical for order of magnitude cost purposes and were not the subject of any rigorous detailed analysis of alternative networks as is necessary prior to making such a major investment decision.
- Ridership
  Ridership comparisons suggest major differences between rail and BRT ridership based on travel times. There has not been the necessary “value engineering” of various segments of the Rail Corridor to determine with certainty the most cost-effective treatments which would determine alignment opportunities and thereby travel times.

  Bus service planning is a balance/tradeoff between travel time and accessibility to the service. More detailed analysis of development patterns and non-motorized paths of access/egress to/from transit are necessary before finalizing placement of stations/stops and choice of service alignment directions.
In addition, the hypothetical bus network provided two levels of service, both express with limited stops (same as rail stations) and an underlying local service with more stops. Again these assumptions were hypothetical with no modeling comparisons of alternatives service scenarios and costs undertaken.

In terms of forecasting ridership, transfers between modes are a significant negative impact on ridership. Total travel time including the time necessary to access to a transit service and wait time which is a factor of frequency and proximity of stops/stations.

It is also necessary to analyze origin and destination pairs and common trip lengths before selecting the best service product and stop/station locations to meet demand. More in depth patronage forecasting would also identify demand levels relative to the capacity of modes which influences service frequency.

- Operating and Capital Funding
  METRO is particularly concerned about assumptions regarding the likely availability of funding necessary to build facilities, procure vehicles and operate a public transit solution in the Rail Corridor and its impact on existing funding which METRO uses to maintain its current service.

  METRO has analyzed the funding sources it uses to fund bus operations and capital improvements and notes that the three primary sources are allocated through the RTC, which by their RTC Rules and Regulations, has the authority to allocate to other purposes, including rail operations.

  To illustrate this point, the chart below shows that RTC has the authority to reallocate upward of $9 million (highlighted) in funding that METRO has historically received to maintain its bus operations and address its capital needs. As an example, in December of 2017, the RTC chose to exercise its authority and re-allocate 15% of the population based formula of the TDA/STA and TDA/SGR funds escalating to 25% over the next three years to RTC projects.
TDA Funds Apportioned by RTC

TDA/LTF Allocation to METRO

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<td>TDA Reserves</td>
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<td>RTC Admin/Planning</td>
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<td>Bike &amp; Ped</td>
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TDA/STA Allocation to METRO

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<tr>
<td>99313</td>
<td>1,938,651</td>
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<tr>
<td>METRO 99314</td>
<td>1,602,253</td>
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<tr>
<td>85.5% METRO</td>
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TDA/STA-SGR Allocation to METRO

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<tr>
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<tr>
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<td>303,662</td>
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<tr>
<td>85.5% METRO</td>
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</table>

1 METRO believes that these funding sources could be vulnerable because RTC could change the % to METRO by amending its Rules and Regulations

2 RTC's 99313 funds will be allocated, in part, to projects other than METRO beginning FY20 through FY22, at which time METRO’s share will be reduced by 25%.

Additionally, a passenger rail service requires an extensive bus feeder network which is traditionally very costly to provide and are a significant use of vehicle and operator resources. The costs of these services need to be considered as part of the cost of the rail service in both capital costs and operating costs (specifically its contribution to cost per trip).
Currently METRO is only able to maintain its bus service at a minimally effective level with available funding and it is acknowledged that in order to attract additional riders there is a need to increase the frequency and span of existing service prior to pursuing new services. Specifically, METRO has service improvement plans in place for when any additional recurring funding becoming available including; improved frequency in the San Lorenzo Valley/Scotts Valley region, introduction of a local Watsonville circulator, increased frequency and expanded span of service in between Capitola and Santa Cruz through the Live Oak area. In addition, to increase general mobility thought the community METRO has plans to introduce alternative service models including microtransit and on-demand services.

Historically, at a number of public transit agencies, the introduction of rail services has resulted in reduced resources for bus operations while requiring additional bus feeder services to support the rail operations.

**Access to Significant Destinations**
It is a major concern that the proposed rail service does not directly serve any of the METRO transit centers (Pacific Station, Watsonville Transit Center, Capitola Mall Transit Center, or Scotts Valley Transit Center or any major trip generators including UCSC, Cabrillo College and the Dominican Hospital medical complex. Access to any of these locations would require either a significant walk or transfer to another travel mode. Bus transit has the operational flexibility to use a combination of the Rail Corridor and the local street network to provide efficient direct service between origin/destination pairs which justify such.

**Capitola Measure L**
The success of Measure L in the City of Capitola raises questions about the viability and/or timeframe of a Santa Cruz to Watsonville rail operation. With the focus of Capitola area bus services being the Capitola Mall Transit Center this is not an issue with bus service. This issue also brings into consideration of a staged implementation of a transit priority facility, a strategy for which flexible bus service is adaptable.

**Next Steps**
METRO staff is continuing to work with RTC staff on analyzing results of the UCIS but strongly recommends that the next step in the decision making process be a formal alternatives analysis process which would allow for detailed investigation of facility costs and service scenarios.

**IV. FINANCIAL CONSIDERATIONS/IMPACT**

As this is a study of future transportation infrastructure and service opportunities for Santa Cruz County, there is no immediate financial impact for METRO. In the long term however, transportation improvements and services proposed in the
UCIS would require an increased commitment of METRO services and equipment, the funding source of which is as yet undetermined.

V. ALTERNATIVES CONSIDERED

The alternative of not pursuing transit improvements along these three corridors would limit the ability to provide viable attractive options to drive-alone vehicle use. Without competitive public transit options the region cannot address the issues of traffic congestion, air quality, and the economic impact of significant commute times and associated costs,

Not pursuing these improvements is not recommended.

VI. ATTACHMENTS

None.

Prepared by: Barrow Emerson, Planning & Development Director
VII. APPROVALS:

Barrow Emerson
Planning & Development Director

Alex Clifford, CEO/General Manager